AYAMAS CONVENIENCE STORES SDN. BHD.

v.

AYAMAS SDN. BHD.

HIGH COURT, BRUNEI DARUSSALAM
DATO' SIR DENYS ROBERTS CJ.
[CIVIL SUIT NO. 38 OF 1993]
27 SEPTEMBER 1994

TRADE MARKS: *Effect of registration - Whether falls within definition of trade mark in the Act - Whether there was infringement - Effect of defendant being registered with a name similar to a trade mark - Trade Marks Act (Cap.98)(Brunei).*

PASSING OFF: *Whether overseas reputation in the goods sufficient - Whether customers misled into thinking that defendant was selling plaintiff's products.*

The plaintiff, a company incorporated in Malaysia is the registered proprietor of trademark "Ayamas" in Brunei from 25 February 1991. The defendant was registered as a business on 2 December 1989 and as a company on 1 July 1992 and is the franchise holder of "Grandy" fast food chain. The plaintiff alleged that the defendant infringed the plaintiff's registered trade mark by using the word "Ayamas" in the operation of the "Grandy's" fast food outlets in such a way as to pass off the plaintiff's trade mark and which was calculated to deceive customers into thinking that the goods sold by the defendant are made by the plaintiff. The plaintiff sought injunctions to restrain the defendant from infringing the plaintiff's trade mark and from the said passing off. The defendant argued that the plaintiffs reputation was in West Malaysia, not Brunei, that both plaintiff and defendant sold different products in addition to chicken; that no customers were deceived and that plaintiff had not proven existence of goodwill in Brunei. The plaintiff argued that registration of the trade mark gave them exclusive right of user.

Held:

[1] On the evidence adduced, there was no attempt to persuade or mislead the defendant's customers to believe that the products sold were the plaintiff's products.

[2] Even though plaintiff's trade mark falls within the definition of trade mark in the Act and is thus entitled to protection, a trade mark protects only those goods for which it is registered. There is no evidence of past infringement and no likelihood of misuse of it by the defendant in the future.

[3] The plaintiff's excellent reputation and goodwill in Malaysia must be shown to have suffered or to be likely to suffer from the defendant's activities in confusing or misleading the public. On the facts, no reasonable customer would be misled into thinking that the defendant was serving the plaintiff's products. The use of the business name of the defendant similar to the plaintiff's trade mark is not sufficient.

[Plaintiff's claim dismissed with cost]

Cases referred to:

Erven Warnink B.V. v J Townend & Sons (Hull) Ltd. [1980] RPC 31 ***(foll)***
P.J. Stringfellow v McCain Foods Ltd. [1984] 31 PR 71 ***(foll)***
Mun Loong Co. Sdn. Bhd. v Chai Tuck Kin [1982] MLJ 356 ***(foll)***
Bismag Ltd v. Amblins (Chemists) Ltd [1940] 2 All ER 608 ***(refd)***
Erven Warnink B.V. v J Townend & Sons (Hull) Ltd. [1980] RPC 31 ***(refd)***
H.P. Buliner Ltd. and Another v J. Bollinger SA and Another [1978] RPC 78 ***(refd)***

Dun & Bradstreet (Singapore) Pte. Ltd. and Another v Dun & Bradstreet (Malaysia) Sdn. Bhd. [1994] MLJ 33 ***(refd)***
Lyngstad v Anabas Products Ltd. and Another [1977] FSR 63 ***(refd)***
Lego System Aktieselskab and Another v Lego M. Lemelstrich Ltd. [1983] FSR 155 ***(refd)***
Econlite Manufacturing Pte.Ltd v Technochem Holdings Pte. Ltd. v Anor [1994] 2 SLR 454 ***(refd)***
Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte. Ltd. [1994] 2 MLJ 770 ***(refd)***
Taco Company of Australia Inc. v Taco Bell Pte. Ltd. and Others [1982] 42 ALR 177 ***(refd)***
Effluent Disposal Ltd. v Midlands Effluent Disposal Ltd. [1990] RPC 238 ***(refd)***

For the plaintiff - Chu Wee Keen
For the defendant - Francis Chiew

JUDGMENT

Denys Robert CJ:

Agreed Facts

At the outset of the trial, a statement of the following agreed facts was submitted to me.

1. The plaintiffs are a company incorporated in Malaysia, having their registered office at 15th/18th Floors, MUI Plaza, Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia and carries on business in Malaysia.

2. The plaintiff is the registered proprietor of the trademark AYAMAS in Brunei Darussalam under Certificate of Registration No. 17265 (Part A) in Class 29 as of 25 February 1991.

3. The defendant had carried on business as a firm in Brunei Darussalam under the name and style of Ayamas since 2 December 1989 and that the said firm was incorporated into a limited company on 1 July 1992.

4. The defendants are the franchise holder of the "Grandy" Fast Food chain and that the defendant carries on business at Nos 10A to 12A, Lim Kok Beng Building, Km 6, Jalan Tutong, Bandar Seri Begawan, Brunei Darussalam.

The pleadings

I have as far as this is possible, omitted those parts of the pleadings which are covered by the above agreed facts.

The plaintiff operates a chain of outlets in Malaysia, which primarily sell fresh chicken and processed products made from chicken meat, under the trade mark of "AYAMAS" and has carried on that business since 1987.

The plaintiff has made "extensive use" of the word "AYAMAS" and the figure of a chicken in the course of its business since 1987.

The trade mark "AYAMAS", registered in Brunei Darussalam, is in respect of meat, fish, poultry and game, meat extracts, preserved dried and cooked fruits and vegetables; jellies, jams, eggs, milk and other dairy products; edible oils and fats, preserves and pickles.

The plaintiff has sold large quantities of chicken and chicken products in Brunei. The word "AYAMAS" and the figure of a chicken appear on all the plaintiff's packages. These are said to be "universally understood" as indicating that the goods in those packages were manufactured by the plaintiff.

The defendant is said to have infringed the plaintiff's registered trade mark by using the word "AYAMAS" in the operation of the "Grandy's" fast food outlets, in such a way as to pass off the plaintiff's trade mark.

The use of the word "AYAMAS" in the name of the defendant company was calculated to deceive purchasers into thinking that the goods sold by the defendant are made by the plaintiff.

The plaintiff seeks injunctions to restrain the defendant from -

(a) infringing the plaintiff's registered trade mark "AYAMAS", and

(b) passing off its chicken products as those of the plaintiff.

The defendant denies any infringement of the plaintiff's trade mark and with passing off the plaintiff's products.

The defendant alleges that it has used the name "Ayamas Sdn. Bhd." in good faith as the company name. It has never used the word "AYAMAS" in its fast food outlet, or misled or deceived customers in any way to believe that they were buying cooked chicken or poultry made by the plaintiff.

It is said that the defendant did not make any misrepresentations to the public and that it was "highly unlikely that members of the public would be confused or associate the plaintiff's mark with "Grandy's chicken or poultry".

The defendant further argued that the plaintiff had no business or goodwill in Brunei at all. In the alternative, the defendant argued that the plaintiff and the defendant were in a completely different line of business and that the plaintiff would not sustain any damage or loss in any event.

The plaintiff provided, in answer to requests by the defendant, further and better particulars of the statement of claim. Among these particulars were the following, namely that-

(a) The plaintiff owned the "AYAMAS" chain of outlets in Malaysia;

(b) This chain sold fresh, chilled, whole dressed chicken, chicken parts like drumsticks, wings, breasts, keel, thighs, etc.;

(c) Processed products made from chicken meat included burgers, nuggets, sausages, satay, chicken fingers, fritters and smoked boneless chicken;

(d) The word "AYAMAS" has been used both on its own and with the figure of a chicken;

(e) The plaintiff began selling its products in Brunei in July, 1989, to various distributors;

(f) The amount of the plaintiff's products sold in Brunei was as follows (each figure is in Malaysian ringgit) -

1980	146,834
1990	92,918
1991	313,359
1992	1,045,539.65
1993	1,318,533.50

(g) The figure of a chicken was not registered as a separate trade mark;

(h) The defendant deceived purchasers by using the "AYAMAS" name, which may have misled them into believing that chicken and processed products made from chicken meat were manufactured by the plaintiff.

During the trial, the plaintiff made it clear that it was only seeking nominal damages against the defendant and did not wish to pursue paragraphs(2) and (3) of the prayer, which sought an enquiry as to such amount as might be found due to the plaintiff as damages.

Evidence for the plaintiff

The plaintiff called only one witness, Mr Chan Tai Suan ("Chan") who testified that he had been employed in Malaysia by the plaintiff for about 8 years. It had changed its name from "KFC Poultry Products Sdn. Bhd."to" Ayamas Convenience Stores Sdn. Bhd." in October, 1993.

The name was changed because the plaintiff meant to market other products, as well as chickens and chicken parts.

In addition to selling three types of roast chicken, all containing the word "AYAMAS", the plaintiff also sold various processed chicken products, like whole chickens, chicken parts, chicken products, giblets, and other processed chicken products, like burgers, sausages and nuggets.

The plaintiff also sold related grocery products under the name "AYAMAS". This was on the packages in which these products were wrapped when sold.

Chan joined as managing accountant in 1987, becoming the cost controller in 1988 and the operations manager for KFC in 1990.

The plaintiff applied for registration of the trade mark "AYAMAS" in Malaysia on 28 February 1987. It has not yet been registered there. It began to use that word "AYAMAS", which means "Golden Chicken", in February 1987 onwards, for packaging purposes.

The first "AYAMAS" store was opened in February 1988. This was, like all 'AYAMAS' stores, not a restaurant, but a store in which you could buy 'AYAMAS' products. There are no tables at which you can eat in any of the premises.

The word "AYAMAS" is sometimes used on its own to advertise a store. Sometimes it is used with a chicken. Both are normally used on the packaging.

The first "AYAMAS" outlet was opened in 1988 in West Malaysia. There now over 50 of them, in every state except one in Malaysia. It is a word which is well known in Malaysia.

The plaintiff sold about 4 million ringgit worth of chickens in 1988 and expects to sell 40 million worth in 1994.

"AYAMAS" products are also sold in Singapore, Sabah, Sarawak, Hong Kong, Japan and Brunei.

Goodwill attaches to that name in Malaysia, for high quality halal chicken products.

The Brunei company "Ayamas Sdn. Bhd." is not associated with the plaintiff company in any way. The plaintiff first heard of the Brunei company in December 1991, when the latter advertised for a restaurant manager for Grandy's in the Malay Mail, which circulates in Malaysia and Brunei.

"AYAMAS" products were first sold to a distributor in Brunei on 31 July 1989. There have been several distributors of "AYAMAS" products in Brunei since then.

The plaintiff registered the trade mark "AYAMAS" in Brunei on 25 February 1991 and has not authorised anyone to use it in Brunei. The plaintiff processed chicken products, whole chickens, parts, boneless chicken products, giblets, balls, sausages, burgers, fries, nuggets, fingers, fritters, frankfurters, sauces, spices and seasoning in Brunei.

The plaintiff has advertised "AYAMAS" products in Malaysia on TV and in the papers. The plaintiff has spent RM5 million in doing so.

The word "AYAMAS" was created for Malaysia. The defendant has used the word to suggest that its restaurants are managed by "AYAMAS" in Malaysia.

Chan believes that the customers of the defendant in Brunei would think that the Brunei company was using the plaintiff's products and that it was connected with it.

Using the the word "AYAMAS", implies that goods are from the plaintiff company. The plaintiff therefore asks the Court to restrain the defendant from using the "AYAMAS" trade mark and award damages for the infringement.

The plaintiff has suffered a loss from the use of the word "AYAMAS" in Brunei by the defendant.

The plaintiff opened a store at Berakas in April, 1994, with a signboard reading "AYAMAS" with the chicken logo on it as well.

Chan has not been to the Grandy's fastfood restaurant himself, so he did not know if the word "AYAMAS" was used in Grandy's. All the plaintiff's advertisements were in Malaysia, not in Brunei.

You could not buy "AYAMAS" products from an "AYAMAS" store in Brunei until April 1994, but you could buy "AYAMAS" packed products in Brunei from about July 1989.

Customers will think that the defendant company was providing "AYAMAS" products made in Malaysia by the plaintiff, because the defendant uses "AYAMAS" as the name of the defendant company.

The products sold by the plaintiff in Brunei are the same as those sold in the "AYAMAS" chain in Malaysia. If you buy roast chicken in Brunei or Malaysia, under the brand name "AYAMAS", you will be sure that you have a Malaysian made "AYAMAS" chicken part.

One of Grandy's posters (p.11 of P.B.) says that Grandy's is managed by "AYAMAS SDN BHD". This must mean "AYAMAS" in Malaysia and implies that the management of Grandy's has something to do with the plaintiff company in Malaysia.

The Brunei importers bought chickens from the plaintiff so that they could resell them in Brunei. They were wrapped in an "AYAMAS" package.

Evidence for the defendant

The defendant called two witnesses, Pg Hj Md Sharimin bin Pg S.J. Pg Hj Mumin ("Shahrimin") and Rohani bte Bakar (Rohani").

Shahrimin was a partner in the business of "AYAMAS" registered under that name in the Register of Business Names on 2 December 1989, as "importer and retailer of frozen food and fast food franchise."

He was also a director of the defendant company, registered under the Companies Act (Cap 39) on 9 July 1992 as "AYAMAS SENDIRIAN BERHAD". This company replaced the earlier registered business.

He gave evidence that "AYAMAS" means "Golden Chicken" and is a made up Malay word. He gave his business this name because his wife, who is Chinese, was born in the year of the chicken in 1957. He registered the business in 1989. He did not know that there was a company called "AYAMAS" in Malaysia.

In Brunei, the only business of the defendant is fast foods, carried out through Grandy's, for which the defendant company has the franchise in Brunei. It has no other business in Brunei.

Grandy's is a world wide chain, started in the U.S. "Grandy" is U.S. slang for "grandmother". Her face appears on some of the Grandy's takeaway bags.

A licence was given by the Municipal Board to "Ayamas Sdn. Bhd.", his company, and to Shahrimin by name on 14 October 1992. This licence is placed on the wall in Grandy's.

The address and telephone number of "Ayamas Sdn. Bhd. "and" Grandy's" are the same.

In Malay, chicken is "AYAM" and "golden" is "EMAS" or "MAS" in Brunei Malay.

He has not seen any "AYAMAS" products in Brunei.

At page 11 D.B. is a box given to the children who are customers of Grandy's. It says that the restaurant was managed by "Ayamas Sdn. Bhd."

Grandy's does not sell the same products as the plaintiff company. It sells fried chicken and the various products shown in the notice at p. 9 DB. This notice is displayed in Grandy's. Only one of these products is similar to those sold by the plaintiff.

Grandy's only product similar to those sold by the plaintiff is fried chicken, which is cooked in a different way.

The second defence witness, Rohani, is the manageress of Grandy's fast food restaurant.

She has worked for Grandy's for more than two years. She was there when it was opened in June, 1992.

During her time at Grandy's, there has never been any suggestion that "AYAMAS" products are used in the Grandy's restaurant.

The licence given to Grandy's was kept on the wall beside the notice at p. 10 D.B.. It was taken down only so that a copy of it could be made for these proceedings.

She did not tell any customer of Grandy's that the chicken served in Grandy's was made in Malaysia or was an "AYAMAS" product.

Arguments for the defendant

The defendant submitted:

(a) That the plaintiff had no "AYAMAS" outlet in Brunei until 1994;

(b) "AYAMAS" products were sent to Brunei from 31 July 1989, but the plaintiff's reputation was in West Malaysia, not in Brunei;

(c) The name of the plaintiff was only changed in 1993 from "KFC Poultry Products Sdn Bhd" to "Ayamas Convenience Stores Sdn. Bhd."

(d) There is a degree of competition as regards chicken only. The plaintiff sells products which the defendant does not, and *vice versa*;

(e) No customer of Grandy's was called to say he was deceived;

(f) The licence for Grandy's was given to "Ayamas", with Shahrimin as the proprietor.

(g) The test of passing off is to be found in the *Avocaat* case (DBA page 15);

(h) The critical question is one of the fact. Were customers deceived? No substantial damage has been shown - see *Stringfellow* case;

(i) The plaintiff has not shown that goodwill exists for its products in Brunei;

(j) The limited protection given to a trade mark is that given by the Trade Marks Act (Cap.98).

Arguments for the plaintiff

(a) The plaintiff has sold "AYAMAS" products in Malaysia since 1987 and to Brunei distributors since July 1989;

(b) It is not necessary for a company to show a local connection if it is to be protected (see *Con Agra* case at p. 37 PBA). It is sufficient if you have established a reputation elsewhere;

(c) The use of the phrase "Managed by Ayamas" must cause confusion (see *Tan-Ichi* case, p. 133 PBA);

(d) There are two separate actions, one for infringement of a trade mark and one for passing off- see *Dun and Broadstreet*, PBA p. 123 and *CG des Eaux* 118 PBA.

(e) "AYAMAS" is a made up name, like "Econlite" and entitled to be protected, see PBA 142.

(f) It is sufficient to show future damage is possible if no injunction is given see *Effluent Disposal*, PBA 190.

(g) Surely the defendant did induce reasonable persons to believe that his business was connected with that of plaintiff? - see *Mun Loong* case [1982] MLJ 356.

(h) Even before Grandy's opened, there may still have been confusion, as buyers of "AYAMAS" products may have thought that they were made by the local company.

(i) Registration of a trade mark in Part A of the Register gives an exclusive right to the use of the trade mark under the Act, (Cap. 98) s. 52;

(j) No trade mark has ever been registered by the defendant;

(k) The plaintiff objects to the use of the word "AYAMAS" in any way, including its registration as part of a company name;

Findings

In these findings, I take into account the evidence of the three witnesses, who were giving testimony which I accept. I have no doubt that they were all honest persons, speaking to the best of their recollections.

(1) The defendant company was registered as a business on 2 December 1989, and as a company on 1 July 1992.

(2) When it was so registered, it had no knowledge of the existence of the plaintiff company or of its mark, "AYAMAS", which was registered in Brunei on 25 February 1991. Nor did it have any such knowledge before the writ in this action was served.

(3) The plaintiff sold its products, using the name AYAMAS and the chicken logo on its packets, to Brunei distributors from 31 July 1989 until the present time.

(4) The name of the plaintiff in Malaysia was changed in October, 1993. This does not matter, as the new company, which is the plaintiff in this action, has succeeded to all the assets of the old, which must include whatever rights the former company may have had in the trade mark "AYAMAS".

(5) Application for the trade mark "AYAMAS" was made in Malaysia in 1987. I assume, though I have not had evidence of this, that the proposed trade mark is protected in Malaysia pending registration which, on the face of it, seems rather slow. The trade mark "AYAMAS", with a chicken logo attached, was registered in Brunei on 25.2.1991.

(6) No attempt was made by the defendant company, or its servants or agents, to persuade customers at Grandy's to believe that the products sold there were "AYAMAS" products made in Malaysia.

(7) No evidence was adduced that any customer of Grandy's was in fact misled into believing that he was being given an "AYAMAS" product made in Malaysia. It is usual in case of infringement and of passing off to call customers who say that they were misled, but this did not occur.

(8) There is a licence in the name of "Ayamas", which is displayed on the wall in Grandy's. There is no evidence that this licence misled any customer of Grandy's into believing that Grandy's was selling "AYAMAS" products from Malaysia. Nor is there any evidence that the bag given to the children to take away food from Grandy's, with its label "managed by Ayamas Sdn. Bhd." misled any customer in this way.

(9) I accept that nothing else was done by Grandy's, or its servants or agents, to mislead its customers into believing that it sold products made by the plaintiff company in Malaysia.

(10) Is there, however, a danger that customers of Grandy's may be misled, by the use of the word "Ayamas" into believing that Grandy's was selling "AYAMAS" made products which, it is conceded, are made in Malaysia? If the danger of confusion is sufficient, even though there is no evidence of it having in fact occurred, then there has been a passing off by the defendant, which will provide a remedy to the owner of the trade mark.

(11) In case it is of any importance, which I doubt in view of modern cases on the matter, I find that there was a degree of competition between the plaintiff and the defendant, in that both of them were selling cooked chicken, even if the plaintiff sold various chicken parts and products which the defendant did not and the defendant sold goods not of the same kind as anything manufactured by the plaintiff.

(12) The trade mark registered under the Trade Marks Act was in favour of "KFC Poultry Products Sdn. Bhd." of Kuala Lumpur (which company was later renamed as "Ayamas Food Convenience Stores Sendiran Berhad:). It was for "meat, fish, poultry and game, meat extracts, preserved dried and cooked fruits and vegetables; jellies, jams, eggs, milk and other dairy products; edible oils and fats, preserves and pickles".

The registered trade mark covers products which have not been made by the plaintiff. This is, however, not important. What does matter, in relation to an infringement of a trade mark, is the extent to which the products sold by the plaintiff fall within the registered trade mark, since it is only those which can be protected under the Trade Marks Act.

The registered trade mark covers "poultry and game". This would be sufficient in my opinion, to cover chicken and chicken parts. I do not think it can be said to include any other chicken products.

Thus an infringement of a registered trade mark would have to show that the there had been an infringement by the defendant, in the course of business, of "AYAMAS" chickens or chicken parts. The same restriction would not apply in the case of a passing off action, in which it would be sufficient to show that there was a passing off of any of the plaintiff's "AYAMAS" products.

Effect of Trade Marks Act (Cap. 98)("The Act")

The main commercial function of a trade mark is to distinguish the goods of a particular company or business from similar goods sold by competitors. A trade mark will indicate to a customer the source of manufacture of the goods.

A trade mark also serves as an aid to selling goods, since a customer, who sees a trade mark which he recognizes, may be encouraged to buy goods bearing that trade mark. It is therefore a marketing weapon. It will be a guarantee that goods carrying a particular trade mark are likely to be of the same quality as other goods carrying this mark.

The legal function of a trade mark is to prevent others from using either the mark itself, or a confusingly similar mark. When goodwill has been built up by a trader through advertising or extensive use, competitors may attempt to capture some of the goodwill attached to the trade mark. The law permits the owner of a trade mark to prevent the public from being deceived.

Section 2 of the Act defines trade mark as including "a mark used or proposed to be used in relation to goods for the purpose of indicating, or so as to indicate, a connection in the course of trade between the goods and some person either having the right as proprietor or registered user to use the mark.....".

The word "mark" is defined in the same section as including "a device, brand, heading, label, ticket, name, signature, word, letter, numeral or any combination thereof".

I am satisfied that the trade mark registered by the plaintiff in Brunei, falls within the definition of a trade mark in the Act. It is in part a made-up word, but this also is entitled to protection if registered - see *Bismag Ltd v. Amblins (Chemists) Ltd* [1940] 2 All E.R. 608.

If a competitor "passes off" his goods as those of a registered holder of a trade mark, the latter can bring an action for "passing off" at common law, as the plaintiff has done in this case. An action for passing off, is based on reputation, which must be separately established. In the case of a infringement of a trade mark, it is not necessary to prove any reputation.

A trade mark protects only those goods for which the trade mark is registered. It gives no protection to anything which is not included in this list. The proprietor thus has the exclusive right to use the trade mark in relation to the registered goods only.

This right is infringed by a person who uses the name or a similar mark in the course of trade.

It is worth stating that there does not seem to be any provision in the Act, as there is in s. 7 of the UK Trade Marks Act, for the protection of vested rights, that is to say where a competitor has used a trade mark from a date earlier than that when the proprietor started to use his mark, or when he registered it, whichever is the earlier date.

There is no allegation that the defendant has made any use of the registered trade mark, which is "AYAMAS" and a chicken. Only that the use of the words "Ayamas Sdn. Bhd." may have misled people into believing that they were being sold goods which had been made in Malaysia and packaged under the "AYAMAS" label.

Where a plaintiff is successful a Court may order an injunction to restrain further infringements. It will do this if there is a threat, or a probability, of future infringement even if there has been none in the past.

Conclusion

The prayer of the plaintiff is for an injunction to restrain the defendant from "infringing the plaintiff's registered trade mark No. 17265 Ayamas".

The plaintiff has registered in Brunei a trade mark, which included a chicken, as well as the word "AYAMAS".

There has, however, been no evidence that, at any time, there has been any use by the defendant of the registered trade mark. Nor have I heard any evidence that such an infringement is likely, other than an assertion by Chan.

Apart from this assertion, the only complaint of the plaintiff is that the defendant has infringed the trade mark by use of the words "Ayamas Sendirian Berhad" as the title of a Brunei company and the use of this term in relation to Grandy's.

Before the plaintiff opened its own restaurant, under the name of "AYAMAS" in Berakas in April, 1994, there had been extensive sales in Brunei by the plaintiff of "AYAMAS" products since July, 1989. There is no evidence that any product was sold which infringed the registered trade mark in Brunei. In coming to this conclusion, I take into account the fact that the trade mark only covers chicken and chicken parts, and not any other products supplied under the "AYAMAS" label to Brunei distributors.

Similarly, there is no evidence that anything which was sold in Grandy's infringed or was similar to the registered trade mark, or that any customers at Grandy's thought that Malaysian made "AYAMAS" chicken or chicken parts were sold at Grandy's.

Nor do I consider that there is such a likelihood that there will be any misuse of the trade mark by the defendant, as would entitle the plaintiff to an injunction to restrain any possible future infringement. I must therefore refuse the application of the plaintiff for an injunction to restrain the infringement of its registered trade mark. In my opinion there has been none, and nor is one likely.

It is not sufficient only to show that a company has been registered with a name similar to a trade mark (though this was not the same, as there has been no use of the chicken logo). It is necessary to show an actual or likely infringement. This the plaintiff has failed to do.

The passing off

It is well established that, if a competitor represents that his goods or services are those of another company, the latter can bring an action for passing off.

The principles which apply are set out in the *Advocaat* Case - *Erven Warnink B.V. v J Townend & Sons (Hull) Ltd.* [1980] RPC 31. There must be

1. a misrepresentation;
2. made by a trader in the course of his trade;
3. to prospective customers or ultimate consumers of goods or services supplied by him;
4. calculated to injure the business or goodwill of another trader;
5. which causes damage to the business or goodwill of the trader by whom the action is brought.

In relation to the passing off action,the allegation against the defendant is that, by the use of the business name "Ayamas Sdn. Bhd." customers of Grandy's were misled into believing that its products were those of the plaintiff.

Thus, it is said by the plaintiff, the tests of the *Advocaat* case are met, in relation to the customers of Grandy's.

The right which is protected by this action is not the right in the trade mark itself, but in the goodwill, of which a trade mark is the sign - see *H.P. Buliner Ltd. and Another v J. Bollinger SA and Another* [1978] RPC 78.

Whereas in an action for the infringement of a registered trade mark, the plaintiff need show only that there has been an infringement of a registered trade mark, in a passing off action the plaintiff must prove its right in the reputation of the goods or services, though it need not prove any registration of a trade mark.

In an action for infringement, the plaintiff must show that the defendant has used the trade mark, or a similar mark likely to deceive or cause confusion - see *Dun & Bradstreet (Singapore) Pte. Ltd. and Another v Dun & Bradstreet (Malaysia) Sdn. Bhd.* [1994] MLJ 33 and *Lyngstad v Anabas Products Ltd. and Another* [1977] FSR 63.

In a passing off action, the plaintiff must prove his own reputation as well as the acts of the defendant. I am satisfied, and this was not contested by the defendant, that the reputation of the plaintiff for "AYAMAS" products in Malaysia is excellent.

Is this sufficient, however? Must the plaintiff show that his reputation in Brunei is also high, or will an overseas reputation be sufficient?

The principal defence put forward was that the business name of the defendant, and the practice of the restaurant run by it, were not deceptive or confusing and did not pass off the goods, business or services of the defendant as those of the plaintiff. It was argued, in addition, that damage to the plaintiff in the future was not likely.

It was established to my satisfaction that the only business activity of the defendant is Grandy's restaurant and that there has been no other activity by it in the past, nor is anything else intended in the future.

The success of the passing off action, assuming that the plaintiff has established the necessary goodwill in Brunei, will therefore depend only upon the activities of the defendant in

Grandy's restaurant in Brunei, or in advertisements or in any activities connected with that restaurant.

My attention has not been directed to any advertisement of Grandy's by the defendant. The plaintiff, apart from those activities which are conducted in the restaurant itself, relies mainly upon an entry in the Brunei telephone book, which lists "Ayamas Sdn. Bhd." as a company having a phone number and address in Brunei, which are both the same as that of Grandy's.

Because there is no suggestion that the defendant has sold anything outside Grandy's, or made any direct representation as to the plaintiff's "AYAMAS" products, I do not think that it could be said that there has been any attempt by the defendant to suggest that any of the goods packaged by the plaintiff in Malaysia and sold by it in Brunei under the "AYAMAS" label are the products of the defendant.

It is nevertheless alleged by the plaintiff that purchasers of "AYAMAS" goods in Brunei must have been misled into assuming that these goods are manufactured by the Brunei company, even though the latter has done nothing itself to promote the sale of these goods.

It is settled law that, where a passing-off occurs, the fact that it is done innocently is no defence to the granting of an injunction, though it is likely that a defendant, in such circumstances, would not pay more than nominal damages for injuries caused while it remains innocent.

This is not an end of the matter, however. An innocent defendant can still be found to have passed-off his goods as those made by another, if what it has done is likely to cause confusion in the mind of the public as to the origin of the goods which it sells.

The more recent cases suggest that, where a plaintiff has established a business reputation in one place, it has created a sufficient basis for its claim elsewhere, if it proposes to trade in that other place, or if its goods have a reputation in that other place which is sufficiently widespread to show that there is a likelihood of damage to its reputation and of a deception of consumers - see *Conagra Inc v McCain Foods (Aust)Pte. Ltd.*, (1992) 23 IPR 193, *Compagnie General Des Eaux v Compagnie General Des Eaux Sdn. Bhd* [1993] 1 MLJ 55, *Tan-Ichi Company Ltd v Jancar Limited and Others* [1990] FSR 151, *Habib Bank Ltd. v Habib Bank AG. Zurich* [1981] 2 All ER 150.

The plaintiff must,having established that it has built up a good reputation abroad, so enhancing its goodwill, show that it has suffered, or is likely to suffer, in the goodwill which it has established by its trading abroad, from the activities of the defendant in leading customers to believe that the defendant is dealing in products made by the plaintiff, or is acting in some other way which prejudices that reputation in Brunei. Has the defendant confused or misled the public into thinking that its product was that of the plaintiff -see *Cadbury-Schweppes Pty. Ltd. and Others v Pub Squash Co.Pty. Ltd.* [1981] WLR 193?

Since the plaintiff has done business here, by the sale of "AYAMAS" products and by the opening of an outlet called "AYAMAS", it would be entitled to protection, in any event, if it could show that there has been a passing-off by the plaintiff, or a reasonable chance that people will be misled by the defendant's activities in Brunei - see *Lego System Aktieselskab and Another v Lego M. Lemelstrich Ltd.* [1983] FSR 155.

"AYAMAS" is not a descriptive word, but a near combination of two Malay words. It is therefore a composite word, devised and used by both the plaintiff with a logo for its products and business and by the defendant as the main part of its business name.It is possible

for a plaintiff company to establish, as this has done, that it enjoys goodwill and reputation, through widespread sales and advertisement, in the word "AYAMAS" with the chicken logo - see *Econlite Manufacturing Pte.Ltd v Technochem Holdings Pte. Ltd. v Anor* [1994] 2 SLR 454.

In such circumstances, a Court is prepared to infer the likelihood of damage, if there is direct competition between plaintiff and defendant, through loss of sales and loss of the exclusive use of a name, though if the Court is satisfied that passing off is in fact established, it will not need to go further and draw an inference -see *Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte. Ltd.* [1994] 2 MLJ 770, and *Taco Company of Australia Inc. v Taco Bell Pte. Ltd. and Others* [1982] 42 ALR 177.

I should add, since the matter was raised by the defendant, that I do not consider that the interval between the discovery of the supposed passing-off and the writ issued by the plaintiff to have been an unreasonable one -see *Effluent Disposal Ltd. v Midlands Effluent Disposal Ltd.* [1990] RPC 238.

The mere use of the word "Ayamas Sdn. Bhd." as managing Grandy's restaurant does not seem to me to be likely to mislead customers. There is no evidence that they were in fact misled by this, or by the licence granted to "Ayamas, proprietor Shahrimin" which is hung in the restaurant.

There was no use of the banner "AYAMAS" outside the restaurant; there is no use of the chicken device in the restaurant or elsewhere by the defendant; there is no use of the word "AYAMAS" outside Grandy's, as there is at the outlet opened in Berakas by the plaintiff.

Anyone who has knowledge of what is sold in the "AYAMAS" store would realize that it sells a wide range of products which are different from those sold in the restaurant. The latter provides cooked chicken mainly, though not exclusively, for consumption on the premises and other goods which are not provided by "AYAMAS".

I do not consider that a reasonable customer of Grandy's would be misled into thinking that Grandy's was serving any of the plaintiff's products -see *P.J. Stringfellow v McCain Foods Ltd.* [1984] 31 PR 71.

It must be shown that confusion is either very likely or has in fact occurred - see *Mun Loong Co. Sdn. Bhd. v Chai Tuck Kin* [1982] MLJ 356.

In my judgment, the plaintiff company has failed to establish either that confusion has occurred or is likely and the claim must fail.

I dismiss the plaintiff's action with costs to the defendant. These should be taxed if not agreed.